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Establishing the National Council on Self-Help Housing

INTRODUCTION

Establishing a National Council on Self-Help Housing was initiated by the Frontiers Foundation, a non-profit, volunteer-based agency with 40 years of experience in self-help housing.

It was selected in June 2002 for funding as part of the federal government's Voluntary Sector Initiative (VSI). The VSI seeks to strengthen the capacity of the voluntary sector and enhance the relationship between the government of Canada and the sector.[1] This initiative is funded by the federal government through an investment of $94.6 million over five years. It includes an accord between the voluntary sector and the federal government.

Other VSI activities focus on information technology and information management; increasing public and government awareness of the importance of work by volunteers; strengthening voluntary organizations; looking at new funding strategies for organizations; promoting volunteers; and, finding ways to streamline reporting requirements.

Frontiers Foundation engaged The Starr Group Inc., a consulting firm specializing in working with community-based, non-profit housing providers, to coordinate project activities. Canada Mortgage and Housing Corporation (CMHC) was the lead federal agency guiding the process.

This *Research Highlight* discusses the background to the project and outlines project activities. The Highlight describes the outcome of the centrepiece of the project, a national conference on self-help housing held in Ottawa, and summarizes the short-term plan for moving forward with the National Council on Self-Help Housing. The conclusion deals with the success of the project in meeting its intended goal.

BACKGROUND

Self-help housing in Canada

Self-help housing is defined as activities that are performed by the intended occupants or a community group that reduce the cost of providing affordable housing for low- or middle-income households.

Self-help housing can include ownership, rental or other forms of equity housing. The individual or community organization building the home can be involved through self-building, including "sweat equity." The type of house built can range from single-detached to apartment building units.

Self-help housing was first seen in Nova Scotia in the 1930s, when Father James Tompkins founded the first self-help housing co-operative in Tomkinsville in the Reserve Mines community in Cape Breton. Today, there is self-help housing across the country.

Self-help housing is inclusive. It can be effective in rural areas as well as large urban centres; people from all income levels can participate; it provides opportunities for single adults, families and seniors to build housing; and, community members from all backgrounds can become involved.

Self-help housing in Canada is not a major contributor to housing production. Lack of awareness and lack of programs supporting self-help housing have hindered the effectiveness of self-help housing in Canada.

The level of support and interest from the general public is tied to the ability of an organization to raise community awareness. Frontiers Foundation felt that a single voice across the country to promote and spread awareness about the achievements of self-help housing was one way to greatly enhance the ability of the sector to increase its capacity to meet the affordable housing needs of Canadians.

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1 Voluntary Sector Initiative *Partnering for the Benefit of Canadians* Bilingual, retrieved December, 2006, from www.vsi-isbc.ca

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Accordingly, this project was undertaken to help develop a voice for the self-help housing sector; to provide an opportunity for participants to share information, ideas and best practices; and, to initiate an ongoing dialogue with government policy makers to help make the efforts of the self-help sector more effective in meeting Canada's affordable housing needs.

METHODOLOGY

A wide range of activities were carried out over the course of the project. The initial work involved preparation of a background report entitled *Harnessing the Potential of the Self-Help Housing Sector in Canada.*[2] This report documents the main contributions of the self-help housing sub-sector in providing affordable housing across the country, including key success factors and challenges.

A national conference was organized in late 2002 in Ottawa that brought together representatives of 17 self-help housing providers and 19 stakeholder groups active in self-help housing. These representatives were identified through the research conducted during preparation of the background report, as well as through contact networks of the Frontiers Foundation, CMHC and other key participants.

Following a vote by conference delegates to proceed with the formation of the National Council on Self-Help Housing, a steering committee was selected to guide the development of a business plan. Working with The Starr Group and with guidance from CMHC, the business plan was completed. The plan outlined the mission statement and objectives for the Council, its corporate structure, its intended activities and its financial plan.

The Council was incorporated and a founding board of directors, which included the members of the steering committee, was appointed. At the conclusion of the project, a summary report entitled *Feasibility of a Canadian Council on Self-Help Housing: Conference Proceedings Report*[3] was prepared, documenting the activities conducted over the course of the project and the next steps. In addition, an outside independent consultant, Prof. Tom Carter of the University of Winnipeg, evaluated the project's success in meeting its goals and objectives.

OVERALL RESEARCH FINDINGS

The research conducted over the course of the project identified a number of benefits gained through the efforts of the self-help sector:

Benefits

The self-help housing sector—

Provides affordable housing at lower cost than other forms of development, with the extent of the contributions by volunteers directly affecting the overall cost of the home. Reducing the construction cost through volunteer activity directly reduces the mortgage payments, increasing affordability for the home's occupants.

Offers flexible tenure opportunities for both rental and ownership housing. Ownership housing can involve a co-operative model, land lease or full ownership of the land and structure by the occupant. Rent-to-own programs can also be utilized, and provide an opportunity for the organization to work with the future homeowner and demonstrate his/her readiness to handle the financial responsibility before purchasing the home. Contributions through self-help housing for rental projects can reduce the financing required for the project, and therefore lower the monthly mortgage payments during the operating phase, enabling the owner to set more affordable rents.

Does not require an ongoing government subsidy, which enables self-help housing organizations to construct projects without relying on assistance from most government programs. This creates self-sustaining affordability for the home without the necessity of seeking and obtaining program funding assistance before moving ahead with the construction.

Gives occupants the opportunity to contribute to their housing, which benefits the household by both reducing construction costs and enhancing self-esteem. In addition, the knowledge gained during the construction process can help the household understand how to maintain the home. Pairing the labour contribution of the household with education programs in financial management and housing maintenance further enhances the ability of the household to retain its housing over the long term.

Gives participants opportunities to learn new skills, under the supervision of qualified tradespersons, which can then be used to help the participants obtain and retain employment in the construction industry or other sectors.

Builds community, offering a unique opportunity to bring together members of the community who work together on the project, and also results in neighbourhood revitalization.

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2 The report is available at www.frontiersfoundation.ca

3 The report is available at www.frontiersfoundation.ca

Promotes volunteerism and contributions from all levels of society, offering opportunities for volunteers to contribute their time and expertise by providing labour or other support, such as assisting with administration, project management, fundraising and building networks with suppliers. Involving experts willing to donate their professional services creates partnerships and strengthens the organization's ability to develop the housing.

Has a positive impact on the Canadian economy, accounting for between 14 per cent and 40 per cent of all new homes built in Canada between 1981 and 1991. Benefits to the economy include the purchase of building supplies, employment for contractors or trades people, services required from architects and designers, taxation revenue generated from the purchase of supplies and services, increased property tax revenue and the use of financial services.

Challenges

Challenges facing the self-help housing sector include:

Quantifying the activity of the sector, which is difficult as there is currently no regular way of measuring or monitoring levels of self-help activity. There is also a general lack of awareness by many organizations active in the sector that they are producing self-help housing.

Spreading awareness about the sector, which has been described as one of the best-kept secrets in Canada. Although some organizations have been able to increase public awareness for their efforts on a regional, provincial or national level, most organizations are locally based and therefore must work to educate lenders and other partners so they can attract the support needed to maximize their capacity to produce housing.

Securing financial partners, such as businesses, federal, provincial, territorial and municipal governments, charitable institutions and the public at large who understand the self-help housing model and are willing to partner with the organization to facilitate development projects. In addition, there is a need to raise the level of awareness of funding programs that could be used to reduce the mortgage, which would enhance affordability.

Building fundraising expertise for organizations producing self-help housing. Self-help housing advocates must demonstrate the benefits of the housing form to potential donors in order to overcome barriers to understanding that appear to favour funding of support programs but not "bricks and mortar."

Recruiting volunteers to maximize cost savings. Each organization needs a solid base of volunteers and a way to use them effectively in meaningful activities. Continuous volunteer recruitment is necessary to avoid volunteer burnout and to access specific skills that are required during different stages of each project.

Building strong self-help housing organizations with the recognition that each project requires a considerable commitment on the part of the volunteers and the organization; pointing to the need for the organization to be fully committed to completing the project; effectively communicate with the media; and, prepare well thought-out business plans that demonstrate the sustainability of the project.

Understanding mechanisms that affect self-help housing and taking action to have barriers addressed. Restrictions on new home warranty programs that cover only contractors registered with the program; building codes that vary between communities; insurance requirements; and, providing adequate supervision of the site by qualified trades are barriers that impede the ability of organizations seeking to produce self-help housing.

Required involvement of occupants in development and construction, which limits some households from participating because of family commitments, physical abilities or employment demands.

CONFERENCE OUTCOME

Delegates to the conference used the information contained in *Harnessing the Potential of the Self-Help Housing Sector in Canada* as well as presentations made at the conference, in deciding whether the time was right to establish a National Council on Self-Help Housing.

At the conclusion of the conference, the delegates voted unanimously in favour of proceeding with the establishment of the Council and developed the following mission statement:

> The National Council on Self-Help Housing promotes, encourages and supports the development of self-help housing by individuals or organizations in Canada.

Delegates also identified the ongoing role of the Council. This role was organized into two primary areas: policy research and providing support to member organizations. The planned activities of the Council in these areas include:

Policy research activities

Short term

1. Reviewing current housing policies to determine their impact on self-help housing—how the policies now in place affect the production of self-help housing.
2. Preparing and updating a list of the various groups involved in self-help housing.
3. Examining ways to encourage the production of self-help housing production through demonstration projects and program development.
4. Researching the relationship between self-help housing and social housing—if a household completes a self-help project is it more likely to remain in the home or move to social housing?—how can this characteristic of self-help be used to generate funding, recognizing that both forms are competing for the same funds under some programs?
5. Researching the current output of self-help housing by province, especially in rural areas.

Long term

1. Identifying the characteristics of households involved in self-help production—age, dependents, employment, income.
2. Researching the implication of home ownership on eligibility for social assistance.
3. Researching the labour and material values of self-help housing production to establish employment and income gains and other local benefits.
4. Identifying the factors that increase or decrease production of self-help housing—interest rates; market rents; availability of social housing; cost of materials; cost of labour; awareness of local programs; implication of taxes on materials, labour and property once improvements are made; eligibility for loans.
5. Evaluating past projects to establish criteria to measure a household's ability to successfully complete the project and remain housed over the long term.
6. Creating a better understanding of the value of self-help housing to the community and the economy.

Activities to support member organizations

Short term

1. Identifying the need for support for organizations in areas such as liability insurance; health and safety training; recruiting of volunteers; selection criteria for projects; designs; innovative materials; fundraising techniques; communication; awareness campaigns.
2. Communicating the concept of self-help housing to government agencies at all levels.
3. Assisting organizations with cost-saving measures, such as bulk purchasing of building supplies or suggestions that can decrease construction costs.
4. Providing technical and organizational structure advice to new groups.
5. Helping to link self-help organizations with potential financial partners.

Long term

1. Spreading awareness among the public about the contributions of self-help housing to meeting the affordable housing needs of Canadians.
2. Providing information on innovative strategies, such as the use of community land trusts.

NEXT STEPS

A steering committee was struck to plan the next steps. The Council has been incorporated as a non-profit corporation under the *Canada Corporations Act.*

Representation on the Council's board of directors has been set out, with one director in each province and territory. In addition, in order to ensure the focus remains on self-help housing providers, a minimum of two-thirds of all members must be self-help housing providers.

Governance procedures, such as plans for continuity on the board of directors through overlapping terms of office and providing opportunity for meetings to take place through teleconference calls have been established. A business plan was developed setting out a series of steps to be followed to bring the Council into operation.

The next steps for the Council will be to:

- Undertake an active marketing campaign to increase awareness of the benefits of the self-help housing concept;
- Communicate research on self-help housing with levels of government;
- Seek out areas where policy input can be made;
- Develop linkages with all levels and areas of government;
- Provide opportunities for self-help housing providers to share information;

- Provide training and information requested by self-help housing providers;
- Attract new members and retain them;
- Build upon the research already completed that identified self-help housing providers and stakeholders that support self-help housing; and,
- Build relationships between members and the members of the board of directors.

As of the end of 2006, the group is raising funds required to begin the operations phase. Once sufficient funds have been raised through a membership drive and other sources, the organization will hire an executive director and undertake the next steps noted above.

CONCLUSION

Following completion of the project activities, Prof. Carter's evaluation concluded:

> From a process perspective the project was thorough, comprehensive and carried out in a logical fashion. From the survey of delegates the project also achieved positive impacts. The ultimate objective—establishing a Council on Self-Help Housing—was achieved.

To find out more about the self-help housing conference and the National Council on Self-Help Housing, please see www.selfhelphousing.ca Reports distributed and presentations made to the delegates at the conference can be accessed through Frontiers Foundation Inc.'s website at www.frontiersfoundation.ca

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Housing Research at CMHC

Under Part IX of the ***National Housing Act***, the Government of Canada provides funds to CMHC to conduct research into the social, economic and technical aspects of housing and related fields, and to undertake the publishing and distribution of the results of this research.

This fact sheet is one of a series intended to inform you of the nature and scope of CMHC's research.

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